

Request for Quotation

PEIA Enrollment Reconciliation Analysis and Dependent Eligibility Audit

The West Virginia Public Employees Insurance Agency (PEIA) is seeking a vendor to conduct an Enrollment Reconciliation Analysis (ERA) and Dependent Eligibility Audit (DEA) to identify ineligible employees and/or dependents covered under the PEIA PPB Plan. In addition, PEIA desires the vendor to assess the Plan's internal enrollment/eligibility policies, procedures and documents to recommend amendments and/or enhancement.

Background

PEIA is the agency of the State of West Virginia that provides group health coverage for nearly 200,000 state, county and municipal employees, retirees, and dependents in West Virginia and across the country. A comprehensive self-insured Preferred Provider Benefit (PPB) plan and managed care plans are offered to all eligible participants statewide. At present, 75,000 policyholders and retirees are enrolled in the PPB Plan; 9,000 are enrolled in the managed care plans; and approximately 300 members are covered under COBRA.

Nearly 800 employing agencies are affiliated with PEIA. Approximately two-hundred of these are state agencies, colleges and universities; the remaining are non-state agencies, such as municipalities, public service districts and county commissions. While participation with PEIA is mandatory for state agencies, the non-state agencies participate on a voluntary basis. Over the past decade, the agreement between a non-state agency and PEIA has required participation for a minimum of three years and that PEIA be the exclusive major medical health plan that is offered while the agreement is in effect. PEIA anticipates that much of the ERA will be focused on the non-state agencies.

All state agencies and on a voluntary basis, some universities, county boards of education and most non-state agencies, participate in the Mountaineer Flexible Benefits Plan which offers optional coverage for vision, dental, short- and long-term disability, and medical and dependent care flexible spending accounts, as well as a post-tax legal plan. These optional benefits are wholly funded by participating employees and are administered by a separate third party.

PEIA's eligibility requirements are highly complex and depend upon employment/retirement status and limitations such as pre-existing conditions and/or qualifying child or relative. An employee's initial enrollment period begins the calendar month of the hire date and extends through the following two calendar months. Each spring, PEIA holds open enrollment for all employees. Enrollment is also available during the Plan Year, for specific qualifying events, such as commencement or termination of employment for the employee's spouse.

Enrollment in the PPB or managed care plans is initiated at the agency level. Enrollment information is transmitted to PEIA via paper or in electronic format after approval by the agency's Benefit Coordinator. The enrollment application is reviewed by PEIA staff before approval/entry into the eligibility system. Eligibility determinations requiring documentation include adoption, divorce and a significant change in the spouse's employment that would affect health insurance coverage. A policyholder or retiree who declares a disability, for a dependent child age 19 or older, must have written confirmation from a healthcare provider.

Termination of coverage due to termination of employment is also initiated at the agency level and may be submitted to PEIA via paper or in electronic format. PEIA has found that

notification of termination(s) is not occurring in a timely manner. Generally, retroactive termination may occur up to sixty (60) days after the termination date. Termination due to death may be retroactive to the date of death, which may be more than the 60-day allowance.

For more information regarding PEIA's enrollment process, eligibility requirements and benefits, vendors may refer to our website at www.wvpeia.com.

Scope of Services

Although PEIA has contracted with a variety of audit vendors in recent years, enrollment reconciliation and dependent eligibility audits are relatively new to the Agency. Past attempts to confirm enrollment have been limited in scope and have been met with moderate resistance. Efforts are underway to strengthen PEIA's ability to enforce these types of reviews and to clearly define the consequences of non-cooperation by an agency.

The successful vendor will work cooperatively with the PEIA, its Third Party Administrators (TPAs) and data warehouse vendor, and the agencies' employees. PEIA prefers that the vendor's work with each agency results in as minimal disruption to their operations as possible. PEIA will provide eligibility, claims and state-agency payroll data, the Summary Plan Description and applicable sections of the Plan Document and State Code to the vendor. Payroll information for the non-state agencies must be obtained by the vendor.

The Vendor will describe its methodology to address the audits listed below and describe other types of enrollment/eligibility analyses that may be of interest to the PEIA.

1. Enrollment Reconciliation Analysis – A comparison of payroll and eligibility data for all PEIA policyholders to validate that the employing agency is in compliance with criteria for participation in the PEIA and that the policyholder is eligible for coverage through his/her employment with the agency.
2. Dependent Eligibility Audits – A comparison of payroll, eligibility and claims data for 100% of PEIA policyholders, retirees, and dependents to identify ineligible members. Ideally, PEIA would like an introductory letter for the DEA mailed to the policyholder during the open enrollment period of April through June, 2009, with the audit to begin July 1st, 2009. Specifically, the vendor will be expected to:
 - a. Produce and mail policyholder communications and any relevant forms.
 - b. Notify policyholder of dependents whose eligibility is in question and the civil amnesty period for disenrollment of ineligible members.
 - c. Provide toll-free phone support for policyholders with questions.
 - d. Handle the initial policyholder dispute; accept the 2nd level dispute and refer all information to PEIA.
 - e. Collect, organize and review all eligibility documents received and deliver these in an imaged format to PEIA at the close of the audit.
 - f. Produce monthly reports and invoice, in a format acceptable to PEIA, for services rendered.
 - g. Prepare a final report of findings, resolutions and recommendations.
3. Tobacco-free Premium Differential Audits – vendor will compare claims data to eligibility attribute for tobacco-free premium differential to determine members with evidence of tobacco use who are receiving discounted tobacco-free premium.

4. Third-party Liability - Analysis of eligibility data to identify Medicare-eligible members who are not enrolled in Medicare (Parts A, B, C and/or D) and/or Medicare D Low-Income Subsidy (LIS); and members with other health insurance coverage, etc.

In addition to the analyses above, PEIA desires the vendor to provide recommendations and assistance for improving processes to prevent future enrollment/eligibility discrepancies.

Submission Requirements & Evaluation

In response to this Request for Quotation (RFQ), please submit a comprehensive quotation for a twelve (12) month period, to commence approximately 30 days upon awarding of the contract; a detailed timeline for this project; and evidence of the three (3) minimum requirements noted below.

Minimum requirements that must be met by the Vendor are:

1. The vendor must have completed, within the past five years, enrollment reconciliation analysis and dependent eligibility audit(s), for at least one client with more than 150,000 covered lives.
2. The vendor must have work experience, similar to that described in this audit, with three different clients during the past five years. A brief description of the completed work and each client's company name, contact name, address and telephone number must be submitted as a reference.
3. The vendor must have an automated system that can interface with the PEIA, TPAs, State agencies and data warehouse systems, on its own equipment in its own facility and under its own software license, to accept eligibility and payroll data in the formats as provided by the PEIA.

Evaluation of the Quotation will be based on the vendor meeting the minimum requirements specified above and the vendor's overall analytic capabilities, methodology for ERA and DEA, clarity of communications/forms/reports, reasonableness of the fee within the constraint listed below, and quality of relevant references. Each of these areas will be equally weighted in reviewing the Quotation.

Responses should be directed to the sole contact for this RFQ:

Ms. T. C. Cyrus, RN, CMCN
Manager, Healthcare Compliance & Quality Assurance
WV Public Employees Insurance Agency
1900 Kanawha Blvd., E.
Charleston, WV 25305-0710

Fax: 1 304 558-2516
Email: tanya.c.cyrus@wv.gov

Time Table

RFQ Released February 13, 2009
Questions Due to PEIA February 20, 2009

PEIA Response to Questions.....February 27, 2009
 Quotations Due to PEIA..... March 13, 2009
 Contract Award To be Determined

Cost Constraints

For enrollment reconciliation analysis, the vendor shall receive a fixed fee per policyholder. For the dependent eligibility, tobacco user and third-party liability audits, the vendor shall receive a fixed fee per member.

Complete the table below with the proposed fixed fees for PEIA. All fees pertaining to this quotation must be included in the fixed fee charge. There will be no direct costs billed to the PEIA (i.e., postage costs, such as the cost of stamps or meters, will not be charged to PEIA).

Implementation/Enrollment Reconciliation Analysis and Dependent Eligibility Audit		Fixed Fee	Basis
a.	Enrollment Reconciliation Analysis Design, Development & Implementation (DDI)	\$ _____	Per policyholder
b.	Dependent Eligibility Audit Design, Development & Implementation (DDI)	\$ _____	Per member

PEIA Options

The PEIA reserves the right to cancel this RFQ and to reject any or all quotations.

Questions

Questions about this RFQ should be submitted in writing to Ms. Cyrus at the fax number or email address listed above. The questions may be submitted via fax or email; however, the PEIA assumes no liability for assuring accurate/complete FAX/email transmission/receipt and will not acknowledge receipt except by addressing the questions. All questions with their responses will be provided to all potential vendors who are known by Ms. Cyrus by 4 p.m. on the date shown above.